

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name		License Number	

Boston Township

Ionia County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year Ended March 31, 2007

Boston Township

Ionia County, Michigan

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March 31, 2007

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Boston Township

Ionia County, Michigan

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March 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Township Board
Boston Township
Ionia County, Michigan

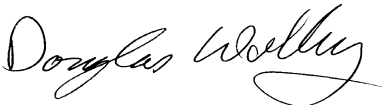
We have audited the accompanying financial statements of the governmental activities, the major funds and the aggregate remaining fund information of Boston Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Boston Township management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund and the aggregate remaining fund information of Boston Township as of March 31, 2007, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boston Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Byron Center, Michigan
July 27, 2007

Boston Township

Ionia County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 9% from a year ago, increasing from \$852,587 to \$934,017.

In a condensed format, the table below shows a comparison of the net assets as of March 31, 2007 to the prior year:

	Governmental Activities	
	2007	2006
Current assets	\$ 1,005,693	\$ 964,546
Noncurrent assets	95,401	88,997
Total assets	1,101,094	1,053,543
Long-term debt outstanding	141,386	168,494
Other liabilities	25,691	32,462
Total liabilities	167,077	200,956
Net assets		
Invested in capital assets - net of debt	95,401	88,997
Restricted	531,998	503,241
Unrestricted	306,618	260,349
Total net assets	\$ 934,017	\$ 852,587

Unrestricted net assets, the part of net assets that can be used to finance day to day operations, increased by \$46,269 for the governmental activities. This represents an increase approximately 18%. The current level of unrestricted net assets for our governmental activities stands at \$306,618, or about 74% of expenses.

Boston Township

Ionia County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

The following table shows the changes of the net assets as of March 31, 2007:

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<u>Program revenues</u>		
Charges for services	\$ 17,317	\$ 16,567
<u>General revenue</u>		
Property tax	126,829	115,307
State shared revenue	248,021	245,502
Unrestricted investment income	43,149	34,553
Franchise fees	4,933	4,906
Fines and forfeits	4,620	5,861
Special assessments	43,163	47,190
Miscellaneous	8,802	24,170
<u>Total revenues</u>	<u>496,834</u>	<u>494,056</u>
<u>Program expenses</u>		
General government	210,769	139,520
Public safety	100,844	96,756
Public works	81,844	101,528
Health and welfare	10,414	10,414
Community and economic development	2,937	2,937
Interest on long-term debt	8,596	39,314
<u>Total expenses</u>	<u>415,404</u>	<u>390,469</u>
<u>Change in net assets</u>	<u>\$ 81,430</u>	<u>\$ 103,587</u>

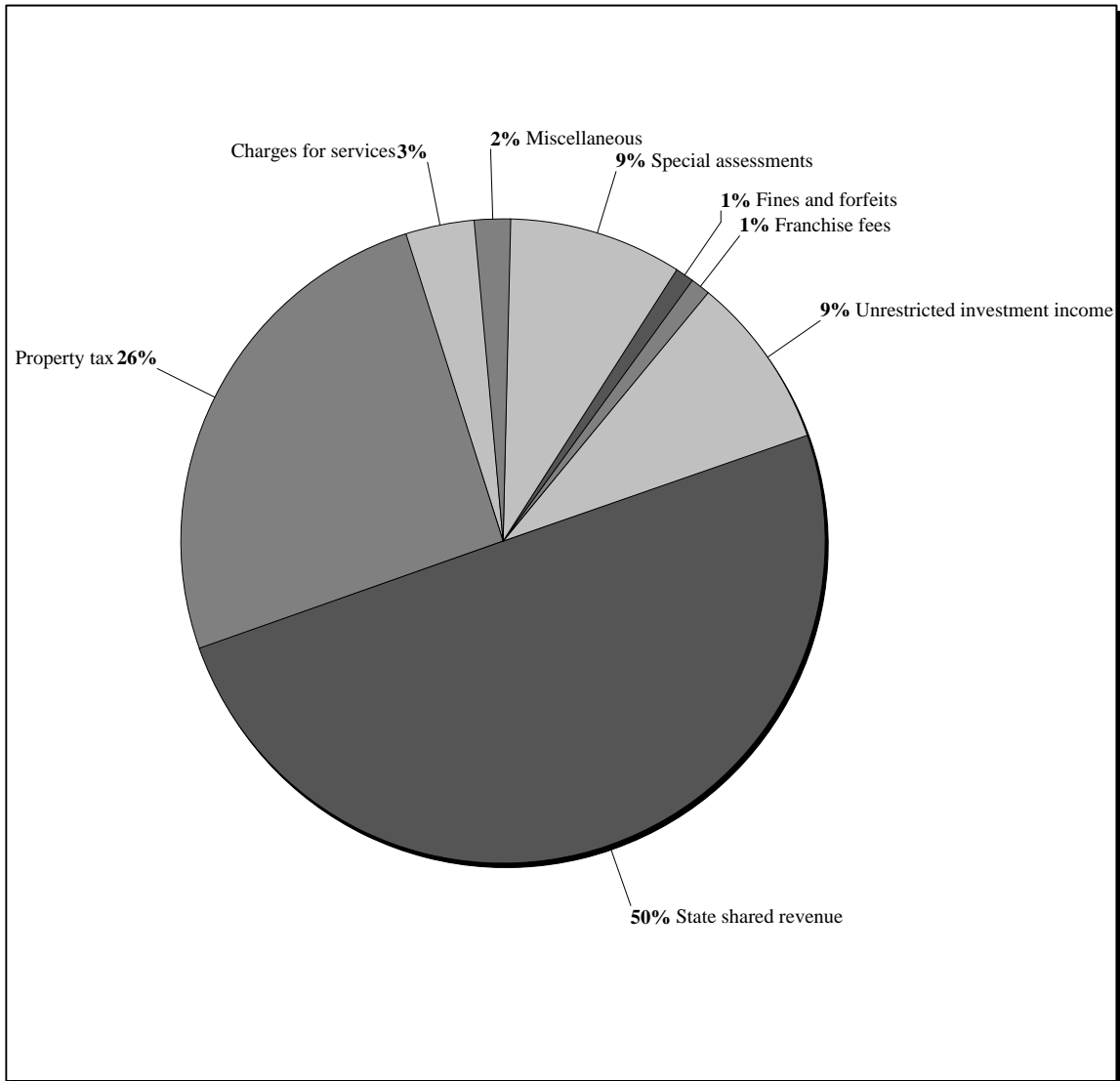
Boston Township

Ionia County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

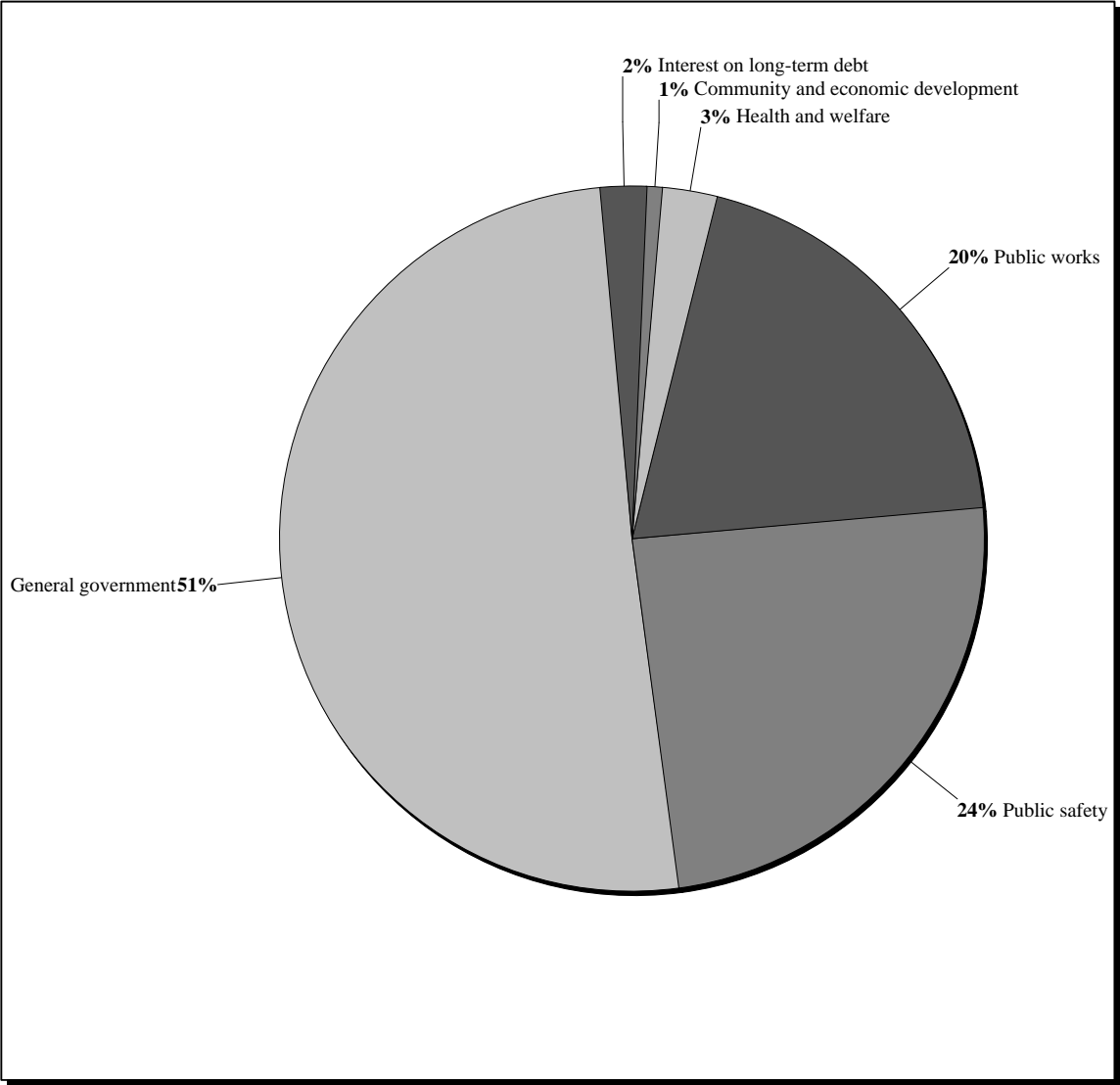
The following chart illustrates the sources of the Township's revenue.



Boston Township

Ionia County, Michigan
Management Discussion and Analysis
For the year ended March 31, 2007

The following chart illustrates the Township's expenses.



Boston Township

Ionia County, Michigan

Management Discussion and Analysis

For the year ended March 31, 2007

Governmental Activities

The were no significant change in governmental activities from the previous year.

The Township's Funds

Our analysis of the Township's major fund begins on page 13, following the Township wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds in 2007 were the General Fund and the Improvement Revolving Special Revenue Fund.

Capital Asset and Debt Administration

At the March 31, 2007, the Township had \$95,401, net of accumulated depreciation, invested in land, building and equipment. Long-term debt at the beginning of the year was \$195,505. There were no additions to long-term debt and reductions of \$29,396 resulted in ending long-term debt of \$166,109. All of the long-term debt is being repaid by special assessments collected from property owners.

Economic Factors and Next Year's Budgets and Rates

The Township's General Fund budget for 2008 remains little changed from 2007.

The Township's State Equalized Value is the highest of any taxing jurisdiction in Ionia County, approximately 190 million dollars. Township officials expect continued rapid growth, particularly in new residential construction.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's Supervisor at the Boston Township Hall, 30 North Center Street, Saranac, Michigan, 48881. The Township's phone number is (616) 642-6636.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Boston Township

Ionia County, Michigan

Statement of Net Assets

For the year ended March 31, 2007

	Governmental activities
<u>GOVERNMENTAL ASSETS</u>	
Cash and investments	\$ 351,636
Investments	641,584
Receivables (net)	12,473
Capital assets (net)	95,401
TOTAL ASSETS	\$ 1,101,094
<u>GOVERNMENTAL LIABILITIES</u>	
Accrued and other liabilities	\$ 968
Due within one year	24,723
Due in more than one year	141,386
TOTAL LIABILITIES	167,077
<u>GOVERNMENTAL NET ASSETS</u>	
Restricted for	
Debt service	31,212
Capital projects	500,786
Invested in capital assets - Net of related debt	95,401
Unrestricted	306,618
TOTAL NET ASSETS	934,017
TOTAL LIABILITIES AND NET ASSETS	\$ 1,101,094

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Statement of Activities

For the year ended March 31, 2007

Functions/Programs	Expenses	Charges for services	Governmental activities
PRIMARY GOVERNMENT EXPENSES			
General government	\$ 210,769	\$ 17,317	\$ (193,452)
Public safety	100,844	-	(100,844)
Public works	81,844	-	(81,844)
Health and welfare	10,414	-	(10,414)
Community and economic development	2,937	-	(2,937)
Interest on long-term debt	8,596	-	(8,596)
Total Governmental activities	\$ 415,404	\$ 17,317	(398,087)

General Revenues

Property taxes	126,829
State-shared revenue	248,021
Unrestricted investment income	43,149
Franchise fees	4,933
Fines and forfeitures	4,620
Special assessments	43,163
Miscellaneous	8,802
Total general revenues - special items and transfers	479,517

Change in net assets	81,430
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Net assets at beginning of year	852,587
Net assets at end of year	\$ 934,017

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Governmental Funds

Balance Sheet

March 31, 2007

	General Fund		Public Improvement Revolving Fund		Nonmajor Funds		Total
<u>ASSETS</u>							
Cash	\$	220,927	\$	76,794	\$	53,915	\$ 351,636
Investments		240,295		401,289		-	641,584
Accounts receivable		1,279		-		-	1,279
Taxes receivable		11,194		-		-	11,194
TOTAL ASSETS	\$	473,695	\$	478,083	\$	53,915	\$ 1,005,693
<u>LIABILITIES AND FUND EQUITY</u>							
LIABILITIES							
Payroll deductions payable	\$	968	\$	-	\$	-	\$ 968
FUND BALANCES							
Reserved for							
Debt Service		-		-		31,212	31,212
Capital projects		-		478,083		22,703	500,786
Undesignated		472,727		-		-	472,727
TOTAL FUND BALANCES		472,727		478,083		53,915	1,004,725
TOTAL LIABILITIES AND FUND BALANCES							
	\$	473,695	\$	478,083	\$	53,915	\$ 1,005,693

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended March 31, 2007

Total fund balances - total governmental funds	\$	1,004,725
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital assets at cost	160,102
Accumulated depreciation	(64,701)
Net capital assets	95,401

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Balances at March 31, 2007 were:

Paradise Park Construction debt	(15,891)
Breezy Point Construction debt	(2,218)
Tiffany Street Construction Debt	(148,000)
Net assets of governmental activities	\$ 934,017

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended March 31, 2007

	General Fund	Public Improvement Revolving Fund	Nonmajor Funds	Total
REVENUE				
Property taxes	\$ 126,829	\$ -	\$ -	\$ 126,829
State grants	253,778	-	-	253,778
Licenses and permits	2,600	-	-	2,600
Fines and forfeits	4,620	-	-	4,620
Charges for services	20,248	-	-	20,248
Interest and rents	21,761	23,503	86	45,350
Other revenue	248	-	-	248
Special assessments	-	-	43,160	43,160
TOTAL REVENUE	430,084	23,503	43,246	496,833
EXPENDITURES				
General government	200,285	-	-	200,285
Public safety	100,844	-	-	100,844
Public works	83,683	-	-	83,683
Health and welfare	10,414	-	-	10,414
Community and economic development	2,937	-	-	2,937
Other governmental functions	15,048	-	-	15,048
Debt service	-	-	37,992	37,992
TOTAL EXPENDITURES	413,211	-	37,992	451,203
NET CHANGE IN FUND BALANCES	16,873	23,503	5,254	45,630
FUND BALANCES, BEGINNING OF YEAR	455,854	454,580	48,661	959,095
FUND BALANCES, END OF YEAR	\$ 472,727	\$ 478,083	\$ 53,915	\$ 1,004,725

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended March 31, 2007

Net change in fund balances - total governmental funds	\$	45,630
Amounts reported for governmental activities in the statement of activities are different because:		
Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		29,396
Governmental funds report capital outlays as expenditures, in the statement of activities, these costs are allocated over their estimated useful lives. This is the amount of capital outlay in the current period		9,845
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Depreciation		(3,441)
Change in net assets of government activities	\$	81,430

The Notes to the Financial Statements are an integral part of this statement.

Boston Township

Ionia County, Michigan

Fiduciary Fund

Statement of Net Assets

For the year ended March 31, 2007

		Agency Fund Type
<u>ASSETS</u>		
Cash and cash equivalents	\$	6,205
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Undistributed taxes	\$	5
<u>NET ASSETS</u>		
Held in trust for Cemetery maintenance		62,000
<u>LIABILITIES AND NET ASSETS</u>	\$	62,005

The Notes to the Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Boston Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Boston Township:

A. Reporting Entity

Boston Township is governed by an elected seven-member Board. The Township has no component units, entities for which the government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

This reporting model provides for separate financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Boston Township has no proprietary funds. The Township has two fiduciary funds, the Tax Agency Fund and the Cemetery Perpetual Care Fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

Boston Township's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Boston Township as of the preceding December 31st.

It is Boston Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2006 taxable valuation of Boston Township totaled \$151,727,441, on which ad valorem taxes levied consisted of the following:

	Mills levied	Raising
Operating	0.7694 \$	116,739

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government.

The Public Improvement Revolving Special Revenue Fund accumulates non-tax revenue set aside for statutory public improvements.

Additionally, the government reports the following fund types:

Debt Service Funds

The Paradise Park Debt Service Fund accounts for special assessments collected to pay long-term debt related to construction of a private road.

The Breezy Point Debt Service Fund accounts for special assessments collected to pay long-term debt related to construction of a private road.

The Tiffany Street Debt Service Fund accounts for special assessments collected to pay long-term debt related to construction of a road.

Capital Projects Fund

The Tiffany Street Paving Capital Projects Fund accounts for bond proceeds to pave a street.

Trust and Agency Funds

The Trust and Agency Fund accounts for property tax collected on behalf of the Township and other units.

The Cemetery Trust Fund accounts for money set aside to provide for maintenance of the Township's Cemeteries.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Capital Assets--Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Building improvements	15 to 30 years

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township normally follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before March 1, the Township supervisor submits to the Board, a proposed operating budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted at the Township hall to obtain taxpayer comments.

On or before March 31, the budget is adopted by resolution.

Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Budgeted amounts are presented as originally adopted, or as amended by the Township Board before March 31. Individual amendments were not material in relation to the original appropriations which were amended.

Budgets as presented for the General Fund, Special Revenue Fund and Debt Service Funds are prepared on the modified accrual basis of accounting on the activity level. Encumbrances are not recorded at year end. Budget appropriations lapse at the end of each fiscal year.

Budgetary amounts reported herein are as originally adopted, or as amended by the Township Board throughout the operating year.

The Township legally adopts budgets for the General Fund, Special Revenue Fund and Debt Service Funds.

Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Township Board.

The legal level of control is at the activity level of the General Fund.

The Township Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Township Board.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes Boston Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all of State statutory authority as listed above.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At the year end, the Township had \$236,715 of bank deposits (money market, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, the following investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

Type of investment	Carrying value	How held
AG Edwards	\$645,304	Counterparty
United Bank	70,265	Counterparty

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with not more than a 270-day maturity. In addition, treasury bills, bonds, and securities of the United States or an agency or instrumentality of the United States must have a remaining maturity of two years or less, unless purchased for a debt retirement or other long-term investment account. At year end, the average maturities of investments are as follows:

Investment	Fair value	Weighted Average Maturity (Years)
Certificates of Deposit	\$164,840	0.75
Federal Home Loan Bank Bonds	170,495	12.18
Federal Home Loan Mortgage	194,402	10.67
Federal Home Loan Notes	48,434	10.92
Federal National Mortgage Association Notes	137,399	13.30

Concentration of Credit Risk

According to the Township's investment policy, unreasonable risk inherent in over-investing in specific instruments, individual financial institutions or maturities are to be avoided. Of the Township's investments, more than 5 percent are in the following:

Investment	Percent
Certificates of Deposit	23.04%
Federal Home Loan Bank Bonds	23.83
Federal Home Loan Mortgage	27.17
Federal Home Loan Notes	6.77
Federal National Mortgage Association Notes	19.20

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 4 - RECEIVABLES

Receivables as of year-end for the Township's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	
Taxes receivable	\$	11,194
Accounts		1,279
Net Receivables	\$	12,473

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Balance April 1, 2006	Additions	Disposals	Balance March 31, 2007
Assets not being depreciated	\$ 38,877	\$	\$	\$ 38,877
Capital assets being depreciated:				
Buildings and improvements	111,380	9,845		121,225
Accumulated depreciation:				
Buildings and improvements	61,260	3,441		64,701
Net capital assets being depreciated	50,120	6,404		56,524
Net capital assets	\$ 88,997	\$ 6,404	\$	\$ 95,401

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:		
General government	\$	3,441

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 6 - LONG-TERM DEBT

The Township issues long-term special assessment debt to provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. Long-term debt activity can be summarized as follows:

	Balance April 1, 2006	Additions	Reductions	Balance March 31, 2007	Due within one year
Paradise Park Special Assessment Debt	\$ 30,105	\$	\$ 14,214	\$ 15,891	\$ 12,243
Breezy Point Special Assessment Debt	6,400		4,182	2,218	1,480
Tiffany Street Special Assessment Debt	159,000		11,000	148,000	11,000
	\$ 195,505	\$	\$ 29,396	\$ 166,109	\$ 24,723

Annual debt service requirements to maturity for the above obligations are as follows:

Year ended March 31,	Principal	Interest	Total
2008	\$ 24,903	\$ 7,453	\$ 32,356
2009	15,206	6,284	21,490
2010	11,000	5,724	16,724
2011	15,000	5,106	20,106
2012	11,000	4,489	15,489
2013	15,000	3,872	18,872
2014	11,000	3,254	14,254
2015	11,000	2,731	13,731
2016	11,000	2,209	13,209
2017	15,000	1,592	16,592
2018	11,000	974	11,974
2019	15,000	356	15,356
Totals	\$ 166,109	\$ 44,044	\$ 210,153

NOTE 7 - RISK MANAGEMENT

Boston Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. Boston Township has purchased commercial insurance for property loss, torts, and errors and omissions claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The Township has no post-retirement benefit plans at this time.

Boston Township

Ionia County, Michigan

Notes to Basic Financial Statements

For the year ended March 31, 2007

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

Defined Contribution Pension Plan

Boston Township provides pension benefits to certain employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. Boston Township contributes 15 percent of each Township Board members' gross earnings. Township contributions plus interest allocated to each employee's account are fully vested upon enrollment in the plan.

Total Township's total payroll for the current year was \$67,279. The current year contribution was calculated based on covered payroll of \$50,406, resulting in an employer contribution of \$9,331.

REQUIRED SUPPLEMENTAL INFORMATION

Boston Township

Ionia County, Michigan

General fund

Balance Sheet

March 31, 2007

	2007	2006
ASSETS		
Cash	\$ 220,927	\$ 281,222
Investments	240,295	171,023
Accounts receivable	1,279	-
Taxes receivable	11,194	9,060
TOTAL ASSETS	\$ 473,695	\$ 461,305
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Payroll deductions payable	\$ 968	\$ 1,277
Deposits payable	-	4,174
TOTAL LIABILITIES	968	5,451
FUND BALANCES		
Unreserved, undesignated	472,727	455,854
TOTAL LIABILITIES AND FUND BALANCES	\$ 473,695	\$ 461,305

Boston Township

Ionia County, Michigan

General fund

Budgetary Comparison Schedule

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original budget	Final budget	Actual	Variance with final budget	2006
REVENUES					
Property Taxes					
Current real property taxes	\$ 121,000	\$ 121,000	\$ 118,419	\$ (2,581)	\$ 108,042
Penalties and interest on taxes	-	-	655	655	-
Property tax administration fee	-	-	7,755	7,755	-
Total Property Taxes	121,000	121,000	126,829	5,829	108,042
State Grants					
State revenue sharing	240,000	240,000	248,021	8,021	245,502
Other state grants	5,278	5,278	5,757	479	5,278
Total State Grants	245,278	245,278	253,778	8,500	250,780
Business licenses and permits	4,000	3,000	2,600	(400)	2,300
Fines and forfeitures	6,500	6,500	4,620	(1,880)	5,861
Charges for Services					
Services rendered	11,000	11,000	10,778	(222)	15,481
Sales	7,030	7,030	4,437	(2,593)	5,227
Fees	5,850	5,850	5,033	(817)	5,156
Total Charges for Services	23,880	23,880	20,248	(3,632)	25,864
Interest and Rentals					
Interest and dividends	15,200	15,200	19,761	4,561	18,559
Rent	1,500	1,500	2,000	500	1,300
Total Interest and Rentals	16,700	16,700	21,761	5,061	19,859
Other Revenue					
Refunds	-	-	240	240	-
Other	5,300	5,300	8	(5,292)	291
Total Other Revenue	5,300	5,300	248	(5,052)	291
TOTAL REVENUES	422,658	421,658	430,084	8,426	412,997

Boston Township

Ionia County, Michigan

General fund

Budgetary Comparison Schedule

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original budget	Final budget	Actual	Variance with final budget	2006
<u>EXPENDITURES</u>					
General government					
Township board	\$ 10,400	\$ 10,400	\$ 10,363	\$ 37	\$ 9,785
Supervisor	18,200	18,200	16,373	1,827	17,518
Clerk	16,300	18,450	16,750	1,700	16,395
Audit	4,000	4,000	4,000	-	3,800
Board of review	630	630	780	(150)	120
Treasurer	26,100	24,300	26,499	(2,199)	24,841
Assessor	33,643	32,643	31,989	654	29,548
Elections	8,180	10,790	11,067	(277)	770
Building and grounds	19,000	30,200	28,187	2,013	13,068
Attorney	23,000	23,000	20,452	2,548	18,670
Cemetery	39,150	39,150	33,825	5,325	33,943
Total General government	198,603	211,763	200,285	11,478	168,458
Public safety					
Police	57,140	62,140	62,140	-	55,513
Fire department	29,500	37,000	38,704	(1,704)	41,243
Total Public safety	86,640	99,140	100,844	(1,704)	96,756

Boston Township

Ionia County, Michigan

General fund

Budgetary Comparison Schedule

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original budget	Final budget	Actual	Variance with final budget	2006
Public works					
Drains	\$ 500	\$ 500	\$ 308	\$ 192	\$ 113
Street lighting	240	240	286	(46)	220
Highways, streets and bridges	104,000	104,000	83,089	20,911	91,195
Total Public works	104,740	104,740	83,683	21,057	91,528
Health and welfare					
Ambulance	10,500	10,500	10,414	86	10,414
Community and economic development					
Economic development	2,937	2,937	2,937	-	2,937
Other governmental functions					
Insurance	3,800	3,800	4,126	(326)	3,616
Retirement	12,000	12,000	9,331	2,669	10,637
Social security	1,200	1,200	1,591	(391)	1,136
Other	1,000	1,000	-	1,000	-
Total Other governmental functions	18,000	18,000	15,048	2,952	15,389
TOTAL EXPENDITURES	421,420	447,080	413,211	33,869	385,482
NET CHANGE IN FUND BALANCES	1,238	(25,422)	16,873	42,295	27,515
Fund balance at beginning of year	455,854	455,854	455,854	-	428,339
Fund balance at end of year	\$ 457,092	\$ 430,432	\$ 472,727	\$ 42,295	\$ 455,854

Boston Township

Ionia County, Michigan

Public Improvement Revolving Special Revenue Fund

Balance Sheet

March 31, 2007

	2007	2006
ASSETS		
Cash	\$ 76,794	\$ 49,563
Investments	401,289	405,017
TOTAL ASSETS	\$ 478,083	\$ 454,580
LIABILITIES AND FUND EQUITY		
FUND BALANCES		
Reserved for capital projects	\$ 478,083	454,580

Boston Township

Ionia County, Michigan

Public Improvement Revolving Special Revenue Fund

Budgetary Comparison Schedule

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Actual	2006
REVENUE		
Interest and dividends	\$ 23,503	\$ 16,128
OTHER FINANCING SOURCES (USES)		
Transfers out	-	(16,000)
NET CHANGE IN FUND BALANCES	23,503	128
Fund balance beginning of year	454,580	454,452
Fund balance end of year	\$ 478,083	\$ 454,580

NONMAJOR GOVERNMENTAL FUND STATEMENTS

Boston Township

Ionia County, Michigan

Nonmajor Funds

Combining Balance Sheet

March 31, 2007

	Debt Service Funds			Capital Projects Fund		
	Paradise Park	Breezy Point	Tiffany Paving	Tiffany Construction		Total
<u>ASSETS</u>						
Cash	\$ 15,731	\$ 4,369	\$ 11,112	\$ 22,703	\$	53,915
<u>LIABILITIES AND FUND</u>						
<u>BALANCES</u>						
FUND BALANCES						
Reserved for						
Debt Service	\$ 15,731	\$ 4,369	\$ 11,112	\$ -	\$	31,212
Capital projects	-	-	-	22,703		22,703
TOTAL FUND BALANCES	15,731	4,369	11,112	22,703		53,915

Boston Township

Ionia County, Michigan

Nonmajor Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balances

March 31, 2007

	Debt Service Funds			Capital Projects Fund Tiffany Construction	Total
	Paradise Park	Breezy Point	Tiffany Paving		
REVENUE					
Special assessments	\$ 15,211	\$ 3,520	\$ 12,078	\$ 12,351	\$ 43,160
Interest and dividends	25	6	31	24	86
TOTAL REVENUE	15,236	3,526	12,109	12,375	43,246
EXPENDITURES					
Debt Service					
Principal	14,214	4,182	11,000	-	29,396
Interest	786	518	7,292	-	8,596
TOTAL EXPENDITURES	15,000	4,700	18,292	-	37,992
NET CHANGE IN FUND BALANCES	236	(1,174)	(6,183)	12,375	5,254
FUND BALANCES, BEGINNING OF YEAR	15,495	5,543	17,295	10,328	48,661
FUND BALANCES, END OF YEAR	\$ 15,731	\$ 4,369	\$ 11,112	\$ 22,703	\$ 53,915

Boston Township

Ionia County, Michigan

Paradise Park Debt Service Fund

Balance Sheet

March 31, 2007

	2007	2006
<u>ASSETS</u>		
Cash	\$ 15,731	\$ 15,495
<u>LIABILITIES AND FUND EQUITY</u>		
<u>FUND BALANCES</u>		
Reserved for debt service	\$ 15,731	\$ 15,495

Boston Township

Ionia County, Michigan

Paradise Park Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original and final budget	Actual	Variance with final budget	2006
REVENUE				
Special assessments	\$ 12,736	\$ 15,211	\$ 2,475	\$ 16,121
Interest and dividends	25	25	-	26
TOTAL REVENUE	12,761	15,236	2,475	16,147
EXPENDITURES				
Debt service				
Principal	11,200	14,214	(3,014)	12,274
Interest	3,000	786	2,214	2,726
TOTAL EXPENDITURES	14,200	15,000	(800)	15,000
NET CHANGE IN FUND BALANCES	(1,439)	236	3,275	1,147
Fund balance beginning of year	15,495	15,495	-	14,348
Fund balance end of year	\$ 14,056	\$ 15,731	\$ 3,275	\$ 15,495

Boston Township

Ionia County, Michigan

Breezy Point Debt Service Fund

Balance Sheet

March 31, 2007

	2007	2006
<u>ASSETS</u>		
Cash	\$ 4,369	\$ 5,543
<u>LIABILITIES AND FUND EQUITY</u>		
<u>FUND BALANCES</u>		
Reserved for debt service	\$ 4,369	\$ 5,543

Boston Township

Ionia County, Michigan

Breezy Point Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original and final budget	Actual	Variance with final budget	2006
REVENUE				
Special assessments	\$ 4,025	\$ 3,520	\$ (505)	\$ 5,221
Interest and dividends	8	6	(2)	9
TOTAL REVENUE	4,033	3,526	(507)	5,230
EXPENDITURES				
Debt service				
Principal	3,800	4,182	(382)	4,732
Interest	700	518	182	768
TOTAL EXPENDITURES	4,500	4,700	(200)	5,500
NET CHANGE IN FUND BALANCES	(467)	(1,174)	(307)	(270)
Fund balance beginning of year	5,543	5,543	-	5,813
Fund balance end of year	\$ 5,076	\$ 4,369	\$ (307)	\$ 5,543

Boston Township

Ionia County, Michigan

Tiffany Paving Debt Service Fund

Balance Sheet

March 31, 2007

	2007	2006
<u>ASSETS</u>		
Cash	\$ 11,112	\$ 17,295
<u>LIABILITIES AND FUND EQUITY</u>		
<u>FUND BALANCES</u>		
Reserved for capital projects	\$ 11,112	17,295

Boston Township

Ionia County, Michigan

Tiffany Paving Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual

For the year ended March 31, 2007 with comparative actual amounts for 2006

	Original and final budget	Actual	Variance with final budget	2006
REVENUE				
Special assessments	\$ 18,526	\$ 12,078	\$ (6,448)	\$ 25,847
Interest and dividends	5	31	26	10
TOTAL REVENUE	18,531	12,109	(6,422)	25,857
EXPENDITURES				
Principal	11,000	11,000	-	11,000
Interest	7,291	7,292	(1)	7,814
TOTAL EXPENDITURES	18,291	18,292	(1)	18,814
NET CHANGE IN FUND BALANCES	240	(6,183)	(6,421)	7,043
Fund balance beginning of year	17,295	17,295	-	10,252
Fund balance end of year	\$ 17,535	\$ 11,112	\$ (6,421)	\$ 17,295

Boston Township

Ionia County, Michigan

Tiffany Paving Capital Projects Fund

Balance Sheet

March 31, 2007

	2007	2006
<u>ASSETS</u>		
Cash	\$ 22,703	\$ 10,328
<u>LIABILITIES AND FUND EQUITY</u>		
<u>FUND BALANCES</u>		
Reserved for capital projects	\$ 22,703	\$ 10,328

Boston Township

Ionia County, Michigan

Tiffany Paving Capital Projects Fund

Statement of Revenue, Expenditures and Changes in Fund Balances

For the year ended March 31, 2007 with comparative actual amounts for 2006

	2007	2006
REVENUE		
Interest and dividends	\$ 24	\$ 22
Special assessments	12,351	-
Refunds	-	17,674
TOTAL REVENUE	12,375	17,696
EXPENDITURES		
Capital outlay	-	10,391
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,375	7,305
OTHER FINANCING SOURCES (USES)		
Transfers in	-	16,000
NET CHANGE IN FUND BALANCES	12,375	23,305
Fund balance beginning of year	10,328	(12,977)
Fund balance end of year	\$ 22,703	\$ 10,328

Long-term Debt Schedules

Boston Township

Ionia County, Michigan

Schedule of Bonded Debt

Paradise Park Special Assessment Debt

March 31, 2007

Year ended	Interest Rate	Principal	Interest	Total
2008	5.200%	\$ 12,423	\$ 564	\$ 12,987
2009	5.200%	3,468	30	3,498
Totals		\$ 15,891	\$ 594	\$ 16,485

Boston Township

Ionia County, Michigan

Schedule of Bonded Debt

Breezy Point Special Assessment Debt

March 31, 2007

Year ended	Interest Rate	Principal	Interest	Total
2008	5.200%	\$ 1,480	\$ 120	\$ 1,600
2009	5.200%	738	7	745
Totals		\$ 2,218	\$ 127	\$ 2,345

Boston Township

Ionia County, Michigan

Schedule of Bonded Debt

Tiffany Street Special Assessment Debt

March 31, 2007

Year ended	Interest		Principal, June 1	Interest, June 1	Interest,		Total
	Rate				December 1		
2008	4.750%	\$	11,000	\$	3,515	\$	17,769
2009	4.750%		11,000		3,254		17,247
2010	4.750%		11,000		2,993		16,724
2011	4.750%		15,000		2,731		20,106
2012	4.750%		11,000		2,375		15,489
2013	4.750%		15,000		2,114		18,872
2014	4.750%		11,000		1,758		14,254
2015	4.750%		11,000		1,496		13,731
2016	4.750%		11,000		1,235		13,209
2017	4.750%		15,000		974		16,592
2018	4.750%		11,000		618		11,974
2019	4.750%		15,000		356		15,356
Totals		\$	148,000	\$	23,419	\$	191,323

AUDITORS' REPORTS

COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Township Board
Boston Township
Ionia County, Michigan

We have audited the general purpose financial statements of Boston Township, Ionia County, Michigan for the year ended March 31, 2007, and have issued our report thereon dated July 27, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated May 2, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Boston Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Boston Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Boston Township are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2007. We noted no transactions entered into by Boston Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Board and management of Boston Township and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg CPA
Byron Center, Michigan
July 27, 2007

MANAGEMENT COMMENTS LETTER

To the Township Board
Boston Township
Ionia County, Michigan

In planning and performing our audit of the financial statements of Boston Township as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Boston Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the Township Board, others within the organization, and the Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

PRIOR MATERIAL WEAKNESSES

Disbursements related to various escrow transactions have been classified to expenditure accounts. We adjusted these to the escrow liability accounts. We recommend that these disbursements be recorded in the appropriate escrow accounts in the future.

Resolution - The Township Board has been working on the escrow accounts and developing procedures to ensure escrow transactions are recorded in the proper accounts.

Most checking, savings and investment accounts have not been reconciled for the months of April, May, June, and July of 2006. The State requires all bank accounts be reconciled before the end of the subsequent month.

Resolution - All bank and investment accounts have been reconciled as of March 31, 2007.

**Boston Township
Ionia County, Michigan
March 31, 2007
Management Comments Letter
Page 2**

The Federal Form 941, Employer's Quarterly Federal Tax Return for the second quarter of 2006 has not been filed. This was due on July 31, 2006. The Internal Revenue Service will levy a penalty for filing the return late.

Resolution - The Federal Form 941 for the second quarter of 2006 was filed with the Internal Revenue Service.

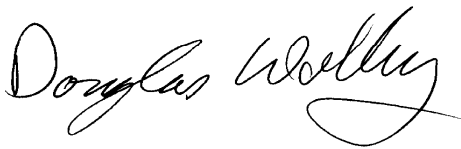
Federal payroll tax deposits have not been made for April, May, June, July and August of 2006. The Internal Revenue Service will levy penalties and interest for late payment of these deposits.

Resolution - These deposits were made.

State payroll tax deposits have not been made for April, May, June, July and August of 2006. The Michigan Department of Treasury will levy penalties and interest for late payment of these deposits.

Resolution - These deposits were made.

This report is intended solely for the information and use of the Township Board and the Michigan Department of Treasury and is not to be used by anyone other than these specific parties.

A handwritten signature in black ink, reading "Douglas Wohlberg". The signature is written in a cursive, flowing style with a large loop at the end.

**Douglas Wohlberg CPA
Byron Center, Michigan
July 27, 2007**